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SUBJECT: ITALIAN AGRICULTURE: MIXED

REACTIONS TO THE WTO FRAMEWORK AGREEMENT

1. Summary. Reactions of Italian agricultural opinion leaders to the WTO framework agreement reached in Geneva July 31 were generally positive. The majority hold tenaciously to the hope that geographical indications should be addressed in the WTO. Government, farmers' organizations, political parties, media and NGOs are placing different expectations on the future of the Doha Development Agenda.
End summary

2. Italian agricultural commentaries focus on the future of EU geographic indications, the relevance of the 2003 Common Agriculture Policy (CAP) reform in the negotiations, and the welfare effects of agricultural trade liberalization on the poorest countries. Italian Minister of Agriculture Gianni Alemanno drew conclusions about the role of the EU's leadership in agricultural reform given the global emphasis on reductions of support for farmers. According to Alemanno, the decoupling of farm payments approved in the recent CAP reform gave the EU the moral high ground in the negotiation. He also said that the formulas for reduction of domestic support and tariffs are finally based on "fair criteria", meaning posing lower threats to support for Mediterranean products. Alemanno also said that the framework agreement includes a specific timing (May and July 2005) for work on Geographic Indications to be completed by technical bodies and the Council General. Ministry of Agriculture's Under Secretary Paolo Scarpa Bonazza Buora, who attended the Geneva Agriculture Talks on behalf of the Italian Ministry of Agriculture, commented that the agreement is a good result and that the EU Commission should not go beyond the mandate agreed with the EU Council. Scarpa argued that in light of the Geneva agreement Italy should reaffirm its opposition to the proposal of reform of the EU sugar regime advanced by the Commission.

FARMERS' ORGANIZATIONS.

3. Cutting tariffs and reducing domestic support where they are more trade distorting is generally accepted by farmers' organizations leadership in Italy. Paradoxically, all farmers' organizations oppose the recently proposed reform of the EU sugar regime and suggest to wait for further developments of the Doha Round. According to Italian farm leadership, the EU needs to do very little to comply with the WTO framework agreement thanks to the EU's recent Common Agricultural Policy reform. Confagricoltura criticized the EU Commission again for pushing for the approval of CAP reform before the WTO framework agreement was in place. Confagricoltura argues that a later reform would have been a better negotiation strategy for the EU. All the farmers' organizations identify safeguarding of Geographic Indications (GI) as a sine qua non for negotiating an agreement before the Ministerial Conference in Hong Kong in December 2005. GIs are mentioned under the "other issues" paragraph in the Agricultural annex to the framework agreement.

4. Farmer Organization Coldiretti supports the idea of re-proposing the shortlist of 41 European Geographic Indications, 14 of which are Italian. The farmer organization Coldiretti not only wants geographic indications to be taken up by the WTO, they

insist that the EU submit again the list of 41 products the EU-15 agreed upon prior to the September 2003 WTO summit in Cancun. None of the Italian farmer organizations considers TRIPS the proper venue for the discussion.

MEDIA

15. The Agricultural press commented warmly and without a great deal of emphasis on the Geneva agreement. The majority of press articles published in Italian agricultural magazines summarize the agreement and report interviewed opinion leaders for impressions, not analysis.

OTHER REACTION

16. The SlowFood movement's leader Carlo Petrini welcomed the framework agreement but warned that "there is a risk of subsequent negotiations being disrupted by competing interests of WTO member countries." According to Petrini, a further agricultural trade liberalization would be beneficial to EU and Italian Farmers as they would be "forced to shift" from commodity farming to production of specialties. Comment:
Mr. Petrini does not speak knowledgeably about negotiations or about agriculture. Italy's commodity crops include corn and rice. Italy is the EU's largest rice producer, and the EU-15's second largest corn producer. Virtually no one from the flat, fertile Po River Valley would abandon corn farming for cheese making because the vocation of that land is adapted to growing grain. End comment.

Other NGOs close to the "no-global" movement strongly oppose the agreement and called for interruption of the Doha Development Agenda.

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